

Memorandum 2012-29

Community Redevelopment Law Clean-Up: Suspension of Study

As enacted in 2011, Health and Safety Code Section 34189(b) required that the Law Revision Commission “draft a Community Redevelopment Law cleanup bill for consideration by the Legislature no later than January 1, 2013.”

That provision operated on February 1, 2012. Since that time, the Commission dedicated nearly all of its resources to that topic. It completed most of the required statutory analysis and was on track to meeting its deadline.

However, on June 27, 2012, the Governor signed AB 1484, a budget trailer bill addressing redevelopment. That bill amended Section 34189 to delete subdivision (b). Because the bill is a budget bill, it operated immediately. Consequently, the Commission’s mandate and authority to prepare redevelopment clean-up legislation has now been withdrawn.

There is no official explanation for that change in the law, but the staff has reason to believe that it was grounded in concern that conditions are not yet ripe for the preparation of clean-up legislation.

That makes sense, as the state of redevelopment law may not yet be fully settled. The Commission’s clean-up efforts were premised on the *existing* state of redevelopment law, which would wind down and then completely eliminate all redevelopment in California. But there are pending legislative proposals that would take significantly different approaches (and more may follow). There is also the possibility of litigation that could change the direction of existing redevelopment law.

Until those matters are fully resolved, clean-up of redevelopment law may well be premature. For example, a clean-up approach that is premised on the complete obsolescence of redevelopment law may be unsuitable if redevelopment law is instead preserved and repurposed. For that reason, the

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The Commission welcomes written comments at any time during its study process. Any comments received will be a part of the public record and may be considered at a public meeting.

staff can understand why the Legislature might prefer to wait until the dust settles, before continuing with clean-up.

Although the Commission must now set aside its work on redevelopment, the staff does not believe that our efforts in this study have been wasted. We have established a working knowledge of redevelopment law that will be very helpful if the Legislature later decides to reactivate the clean-up study.

Moreover, we've developed a good working model (grounded in the "savings provision") that can serve as a foundation for any later clean-up effort that must address the phased-in obsolescence that necessarily follows from the winding down process.

Finally, the analysis that the Commission has conducted, including the list of issues we have flagged for possible legislative attention, may be useful as an aid to any future redevelopment reform efforts.

Respectfully submitted,

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Executive Director